

# WORLD CUSTOMS ORGANIZATION ORGANISATION MONDIALE DES DOUANES

Established in 1952 as the Customs Co-operation Council Créée en 1952 sous le n<u>om de Conseil de coopération douanière</u>

# HARMONIZED SYSTEM REVIEW SUB-COMMITTEE

NR0378E1

O. Fr.

27<sup>th</sup> Session

Brussels, 30 January 2003.

# REVISION OF CHAPTERS 54 AND 55 (PROPOSAL BY THE EC)

(Item III.B.9 on Agenda)

#### I. BACKGROUND TO THE QUESTION

1. On 23 January 2003, the Secretariat received the following note from the EC concerning a proposed revision of Chapters 54 and 55.

## II. NOTE FROM THE EC

- 2. "A substantial reform of the Combined Nomenclature of the European Community has already been carried out. Many headings which had become obsolete were deleted and other deletions are planned.
- 3. The reform could not be completed because some amendments and deletions concerned the Harmonized System. This paper therefore aims at the modernisation of the HS nomenclature.
- 4. According to information received from industry, the proposals put forward here have already been made available to fibres associations in the United States and Japan.
- 5. The criteria considered for the modernisation of the nomenclature :
  - modernisation of the nomenclature to take account of developments in our industries;
  - deletion of headings which have become obsolete, in particular because of changes in international trade agreements;
  - clarification of the wording of certain headings to make the world trade nomenclatures more comprehensible;

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- harmonisation of nomenclatures by adding headings already introduced in most countries' nomenclatures to the Harmonized System.
- 6. Consequently, the proposed amendments essentially aim to :
  - (a) introduce a distinction internationally between aramid fibres and other polyamide fibres: the current grouping of these two headings in the Harmonized System restricts the usefulness of the external trade data for all the producers concerned;
  - (b) take account of the substantial developments in polypropylene fibres and give them equivalent treatment in the Harmonized System to polyamide, polyester or acrylic. World production of polypropylene fibre in 2000 was 3 850 000 tonnes, greater than acrylic fibre production. In Europe polypropylene fibres took first place in terms of volume produced in 2000;
  - (c) promote elastomeric fibres worldwide; volume production of these fibres has been growing steadily for many years now;
  - (d) eliminate headings that have become less useful;
  - (e) clarify wording to make the nomenclature more easily comprehensible.

### **Proposal**

# 7. <u>Amendments of heading 54.02</u>:

- 1.- <u>5402.10 " High tenacity yarn of nylon or other polyamides"</u> <u>New wording</u>:
  - High tenacity yarn of nylon or other polyamides :

5402.11 -- Of aramids 5402.19 -- Other

2.- Creation of new subheadings:

5402.34 -- Of polypropylene

5402.44 -- Elastomeric 5402.45 -- Of polypropylene

3.- Deletion of headings 5402.51 to 5402.69, to be replaced by new subheading:

5402.90 - Other

#### 8. Amendments of heading 5404.10 "Monofilament": New wording:

- Monofilament :

5404.11 - - Elastomeric

- - Of polypropylene 5404.12

- - Other 5404.19

#### 9. Amendments of heading 55.01:

New subheading:

5501.40 - - Of polypropylene

#### 10. Amendments of heading 5503.10, "Of nylon or other polyamides" New wording:

Of nylon or other polyamides:

Of aramids 5503.11 - -5503.19 --Other"

#### III. SECRETARIAT COMMENTS

11. Given the recent arrival of the EC note, the Secretariat has merely reproduced it without any comment.

## IV. CONCLUSION

12. The Sub-Committee is invited to examine the EC proposal to amend the Nomenclature of Chapters 54 and 55, as reproduced above.